

AFRICA RISK CONSULTING

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Tanzania Summary 8 May 2024

Heavy rains and landslides in Tanzania cause significant destruction resulting in 155 deaths, 236 injuries, and extensive damage estimated to cost TSh 600 billion (\$230.5m). Minerals minister Anthony Mavunde announces on 30 April that effective immediately, mining operations in Tanzania must present a comprehensive plan for local value addition to obtain licenses. This policy shift accompanies a directive to develop local refining facilities for critical minerals like lithium and follows increased government involvement in the extractive sector to enhance corporate social responsibility and domestic benefits from natural resources. Tanzania discusses cooperation in information and communication technology with Iran and sends delegates to participate in Tehran's Africa- Iran Summit between 26 and 29 April.

Extreme rainfall causes disruptions throughout Tanzania

Heavy rains throughout April and the beginning of May caused severe flooding and landslides in **East African** countries including Tanzania, **Kenya**, and **Somalia**. As of 26 April, Tanzania has registered 155 deaths, 236 injuries, and over 10,000 properties damaged and/or destroyed.¹ Although seasonal “long rains” are expected from March through May, prime minister **Kassim Majaliwa** attributed the extreme rainfall to **El Niño**.² He stated in parliament on 24 April that 200,000 people and over 51,000 households had been affected by the disaster which led to loss of life, and destruction of crops, homes, property, and critical infrastructure such as roads, bridges, and railways.³

Following heavy rains caused by **Cyclone Hidaya**, **Tanzania Fire and Rescue Force's Lindi** commander **Joseph Mwasabeja** announced on 5 May that the main highway connecting **Dar es Salaam** with Tanzania's southern regions of Lindi and **Mtwara** was closed until further notice after floods washed away four of the route's main bridges.⁴ The closure requires travellers to Lindi to reroute via **Makambako/Somgea**, significantly increasing the travel distance from 470km to 1,552km which could take over 20 hours.⁵ Works minister **Innocent Bashungwa** stated government's intentions to restore normalcy within 72 hours and instructed **Tanzania Roads Agency (Tanroad)** to increase capacity of workers and trucks.⁶ **Australian** energy minerals developer **Walkabout Resources**, which operates a graphite mine in Lindi, reported on 6 May that they expect only short-term “minor” impacts on graphite export from their mine.⁷

The heavy rains also have the potential to disrupt agricultural production and increase the risk of waterborne diseases such as cholera and typhoid, particularly in more densely populated cities where stagnant water can become a serious health risk. Dar es Salaam regional commissioner **Albert Chalamila** highlighted that Dar es Salaam's drainage system was ineffectual and incapable of clearing flooded roads.⁸ In a joint press conference with Bashungwa on 29 April, Chalamila said that the road design in the city no longer met the needs of increased human and vehicle activity and needed a

¹ [Relief Web](#), 26 Apr 2024

² [BBC News](#), 25 Apr 2024

³ [BBC News](#), 25 Apr 2024

⁴ [The East African](#), 6 May 2024

⁵ [The Citizen](#), 6 May 2024

⁶ [The Citizen](#), 6 May 2024

⁷ [Proactive Investors](#), 6 May 2024

⁸ [The Chanzo](#), 30 Apr 2024

“major overhaul”.⁹ Bashungwa stated that the government’s assessment was ongoing and estimated the cost to restore damaged infrastructure to be TSh 600 billion (\$230.5m).

The extreme rainfall also affected electrical output, and on 25 April Majaliwa announced the shutdown of five of Tanzania’s hydroelectric stations to reduce excess energy supply amid low demand.¹⁰ Majaliwa added that the **Julius Nyerere Hydroelectric Station** alone had generated enough electricity to power Dar es Salaam.¹¹ As Tanzania has historically battled power shortages it marked a unique situation. Although the heavy rainfall helped Tanzania meet and surpass the country’s energy demands, problems in the national power grid and infrastructure led to power outages on 4 May in Dar es Salaam, **Dodoma**, Mtwara, **Pwani**, and **Iringa**, suggesting that further infrastructural investment is needed to ensure electrical stability and reach.

President **Samia Suluhu Hassan** (2021-current) on 12 April told citizens that the government was focusing on addressing urgent needs and designated Majaliwa to supervise and manage “*all necessary measures to restore stability in the affected regions.*”¹² Although she has expressed her condolences to the victims of flooding, she has since channelled her directives through Majaliwa who has become the political lead of the humanitarian crisis. This could be inferred as a strategic move to buffer Hassan from scrutiny as the government’s ability to restore critical infrastructure and protect Tanzanian livelihoods will be judged by local citizens and politicians in the upcoming elections. The government’s commitment to restoring affected areas and improving the functionality of critical systems such as roadways is crucial for mitigating future crises.

A value-addition plan becomes integral to obtaining a mining license

Minerals minister **Anthony Mavunde** presented his ministry’s 2024/25 budget proposals before parliament on 30 April, also announcing a significant policy change - effective immediately, the government will no longer issue mining licenses or special mining licenses to medium and large-scale mining operations without a “*comprehensive plan*” for value addition to minerals within Tanzania.¹³ Mavunde emphasised that this new requirement applies to all minerals, including critical minerals such as copper, lithium, and nickel. He also noted that if primary license holders wish to sell their license to other investors, small-scale miners involved in the operation have the right of first refusal to either purchase the mine or enter into an investment agreement.¹⁴ This directive is part of a broader government initiative to increase government oversight and ensure that investors adhere to Corporate Social Responsibility (CSR) policies. Mavunde told parliament that from July 2023 to March 2024, mining sector investors contributed TSh 17.08 billion (\$6.56m) to CSR projects.¹⁵

This policy shift follows a recent increase in direct government involvement in the extractive sector aimed at ensuring that local communities and the national economy benefit from the country’s natural resources. However, the lack of additional guidance on what constitutes a ‘comprehensive plan’ for value addition could lead to bureaucratic delays, with licensing decisions possibly influenced by the personalities and interests of the regulatory board involved.

The recent announcement aligns with the June 2023 directive that banned the export of unrefined lithium from 31 May 2024, mirroring actions taken by other African nations like **Zimbabwe**, **Namibia**, and **Ghana**.¹⁶ In a move to foster local industry, the government mandated that lithium stakeholders should develop refinery plants and that minerals’ value must increase by at least 5% for export licenses to be granted.¹⁷ In March, Mavunde granted **Isle of Man-based Lifezone Metals**,

⁹ [The Chanzo](#), 30 Apr 2024

¹⁰ [BBC](#), 24 Apr 2024

¹¹ [BBC](#), 24 Apr 2024

¹² [Daily News](#), 12 Apr 2024

¹³ [The Citizen](#), 30 Apr 2024

¹⁴ [IPP Media](#), 1 May 2024

¹⁵ [IPP Media](#), 1 May 2024

¹⁶ [The Africa Report](#), 2 Nov 2023

¹⁷ [Energy Capital & Power](#), 8 Nov 2023

which operates **Kabanga Nickel** project, a license to refine rare metals and **Australia**-headquartered **Strandline's** Tanzanian subsidiary **Nyati Mineral Sands Ltd** a licence to refine heavy mineral sands.¹⁸

To enable increased value addition to minerals the government has designated the **Buzwagi Special Economic Zone (SEZ)**, covering 1,333 acres in **Kahama** district, as an industrial hub for the sector. This area, previously mined by **Canada's Barrick Gold**, is set to host a multi-metal processing facility and factories producing supply chain products.¹⁹ A 2021 feasibility study showed that establishing the SEZ could replace mining as the region's economic driver, potentially creating 3,000 jobs, generating over \$150,000 annually from service levies for the local municipality, and delivering approximately \$4.5m in employment taxes annually.²⁰

At the 2024 **Mining Indaba** in **Cape Town (South Africa)**, permanent secretary at the minerals ministry **Kheri Mahimbali** confirmed that Tanzania's commitment to responsible mining practices has yielded significant economic benefits. In 2023, the mining sector accounted for about 10% of the country's gross domestic product (GDP), generated nearly 60% of its foreign exchange, and attracted over \$2 billion in new investments, primarily from global mining companies.²¹ This growth marks a substantial increase from 7.3% of GDP in 2021 and 9.1% in 2022.²²

Tanzania and Iran to expand economic engagements and technological cooperation

Through recent diplomatic engagements, Tanzania has been deepening its economic and technological ties with **Iran**, reflecting a strategic pivot in its foreign relations. **Zanzibar's** trade and industrial development minister **Omar Said Shaaban** and Iran's information and communications technology minister **Issa Zarepour** met on 1 May in **Tehran** (Iran) to discuss increasing cooperation in the information and communication technology sectors. The **Tehran Times** reported that Shaaban emphasised the necessity of launching online social media platforms that align with cultural norms and called **Western** platforms "*a threat to family values.*"²³

The ministerial meeting followed the 2nd **Africa Iran Summit**, held between 26 and 29 April and attended by delegations from 30 African countries to discuss expanding economic ties. Iran has identified Africa as a critical focus in its foreign policy goals to diversify its international trade networks, especially amidst ongoing international sanctions and strained relations with Western countries.²⁴ The Tanzanian delegation included the **Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA)** president **Vicent Bruno Minja**, **Tanzania Business Development Authority** director **Latifa Khamis**, **Zanzibar National Chamber of Commerce (ZNCC)** CEO **Hamad Hamad**, and **Iran-East Africa Chamber of Commerce** president **Masoud Berahmna**.²⁵

Notably, none of Hassan's prime cabinet secretaries or key ministers were sent which suggests Tanzania is treading carefully due to the geopolitical climate and intends to prioritise economic partnerships over political ones. However, Hassan met with Iran's President **Ebrahim Raisi** (2021-current) on the sidelines of the 15th **BRICS** meeting in **Johannesburg** (South Africa) in August 2023 and in a display of diplomatic solidarity, foreign minister **January Makamba** on 9 April expressed support to Iran's foreign minister **Hossein Amirabdollahian** following the attack on the Iranian embassy in **Damascus (Syria)**. Amirabdollahian invited Makamba to visit Tehran to finalise agreements and prepare for a presidential meeting and Makamba affirmed Tanzania's readiness to open an embassy in Tehran.²⁶

¹⁸ [IPP Media](#), 22 Mar 2024

¹⁹ [The Citizen](#), 30 Apr 2024

²⁰ [Barrick](#), 18 Mar 2024

²¹ [Mining Review](#), 5 Feb 2024

²² [The Citizen](#), 30 Apr 2024

²³ [Tehran Times](#), 1 May 2024

²⁴ [Al-Monitor](#), 28 Apr 2024

²⁵ [TCCIA Official](#), Instagram, 26 Apr 2024

²⁶ [Diplo](#), 11 Apr 2024

Under the leadership of Hassan, Tanzania has maintained a relatively balanced foreign policy and has sought engagement with a range of international partners to boost the economy and its international standing as an **East African** powerhouse. With a large Muslim population particularly concentrated in the coastal regions, Zanzibar, and **Pemba**, Tanzania has historically maintained close ties with the **Middle East**, including with Iran, **Saudi Arabia**, and the **United Arab Emirates (UAE)**. Tanzania sees Iran as a potential source of investment, technology, and expertise in sectors such as agriculture, infrastructure, and energy.²⁷ Iran is one of Tanzania's largest bilateral lenders largely due to a deal struck in the 1980s to import oil on credit, resulting in Tanzania owing Iran TSh 1.48 trillion. (\$568.5m). In January, Tanzania and Iran formally agreed on the former sending a monthly payment of \$7m to service the debt.²⁸

Iran's complex international relations, particularly its tensions with Western countries and sanctions imposed by the **United States (US)** and the **European Union (EU)**, could impact Tanzania if it deepens ties with Iran. While Tanzania stands to benefit from pursuing national interests through an increased bilateral partnership with Iran, Tanzania would need to navigate international dynamics carefully to avoid any negative repercussions that might arise from the association. Hassan seems fully attuned to these complexities and, likely, she will carefully manage the countries' relations to capitalise on Tanzania's economic interests.

Planner

16-17 May 2024 **Zanzibar (Tanzania)** 6th **Civil Aviation Safety and Security Oversight Agency (CASSOA)** conference

1-2 Jul 2024 **Zanzibar (Tanzania)** 1st **East African** Critical Minerals Summit

4-5 Jul 2024 **Dar es Salaam (Tanzania)** 3rd **Blue Economy** Conference 2024

10-11 Jul 2024 **Dar es Salaam (Tanzania)** **Centre for Effective Global Action (CEGA)** 12th Africa Evidence Summit

11- 12 Sep 2024 **Dar es Salaam (Tanzania)** Tanzania Energy Congress

Dec 2024 **(Tanzania)** Local elections;

2024 **Dar es Salaam (Tanzania)** Tanzania Mining and Investment Forum

5-7 Mar 2025 **(Tanzania)** 11th **East African** Petroleum Conference and Exhibition 2025 (EAPCE'25)

Oct 2025 **(Tanzania)** General elections

2025 **(Tanzania and Uganda)** Completion of **East African Crude Oil Pipeline (EACOP)**

Chronology

6 May 2024 **Dodoma (Tanzania)** *The Chanzo*. Transport minister **Makame Mbarawa** announces that the Tanzanian government is continuing the search for an investor to operate berths 8-11 of **Dar es Salaam Port**;

6 May 2024 **Dar es Salaam (Tanzania)** *The Citizen*. Defence minister **Stergomena Tax** confirms that the **Tanzania People's Defense Force (TPDF)** will remain in **Mozambique's Cabo Delgado** region beyond the July 2024 expiration of the **Southern African Development Community's (SADC)** military mission;

4 May 2024 **Dar es Salaam (Tanzania)** *Mwananchi*. Opposition party **Chadema's** vice president **Tundu Lissu** accuses the party, led by chairman **Freeman Mbowe**, of corruption ahead of the party's internal elections and announces his intentions to run against Mbowe for party leader;

²⁷ [Ujasusi](#), 10 Apr 2024

²⁸ [The Chanzo](#), 23 Jan 2024

5 May 2024 **Zanzibar (Tanzania)** *The Citizen*. The Zanzibar government creates an economic advisory team to draft a new macroeconomic policy framework to be included in Tanzania's **Vision 2050** goals;

4 May 2024 **Dar es Salaam (Tanzania)** *AP News*. Meteorology department says **Cyclone Hidaya** has significantly weakened as it approaches the coastline but warns residents to remain cautious amid a blackout following heavy rains and strong winds;

2 May 2024 **Luanda (Angola)** *Jornal de Angola*. **Tanzania** says it plans to open an embassy in **Angola** next year as part of the deepening of bilateral cooperation;

1 May 2024 **Arusha (Tanzania)** *Daily News*. The **East African Community (EAC)** releases a statement noting that Tanzania and **Kenya** have successfully resolved a longstanding dispute over the export of poultry and poultry products between the two countries;

29 Apr 2024 **Nairobi (Kenya)** *State House*. President **William Ruto** welcomes **Tanzanian** President **Samia Suluhu Hassan** and **Mozambican** finance minister **Adriano Maleiane** to the **International Development Association (IDA21) African Heads of State Summit** being held in Nairobi;

26 Apr 2024 **Dar es Salaam (Tanzania)** *Tanzania Business Insider*. Seven **African** heads of state accompany President **Samia Suluhu Hassan** to celebrate 60 years of Tanzania's union in **Dar es Salaam** including **Burundi's** President **Evariste Ndayishimiye**, **Comoros** President **Azali Assoumani**, and **Zambia's** President **Hakainde Hichilema**;

27 Apr 2024 **Dar es Salaam (Tanzania)** *Business Insider Africa*. President **Samia Suluhu Hassan** meets with her **Somalian** counterpart, **Hassan Sheikh Mohamud**, vowing to bolster Tanzania's support for Somalia's defence and security;

24 Apr 2024 **Zanzibar (Tanzania)** *The Citizen*. **Zanzibar's** member of parliament (MP) for **Konde Mohammed Said Issa** suggests that the Zanzibari government reinstates the use of passports for mainland Tanzanians travelling to Zanzibar;

23 Apr 2024 **Dar es Salaam (Tanzania)** *The Guardian*. **World Bank** suspends financing intended to develop tourism in southern Tanzania after noting that it received information suggesting breaches of the project's implementation policies, including forced eviction and other abuses;

22 Apr 2024 **Zanzibar (Tanzania)** *United Nations Development Programme*. **Zanzibar's** vice president **Othman Masoud Sharif** unveils the **Zanzibar Sustainable Development Goals (SDGs) Investor Map**, a collaborative effort between the **United Nations Development Programme (UNDP)**, **Zanzibar Investment Promotion Authority (ZIPA)** and Zanzibar government;

22 Apr 2024 **Tanga (Tanzania)** *IPP Media*. **Tanga** port manager **Masoud Mrisha** says major improvements at the port have enabled it to accommodate large ships and increase cargo flow, allowing it to effectively serve the north-eastern part of the country and neighbouring **Kenya** and **Uganda** via **Lake Victoria**;

22 Apr 2024 **Zanzibar (Tanzania)** *The Citizen*. The **Zanzibar Drug Control and Enforcement Authority (ZDCE)** confiscates drug trafficking suspects' assets valued at TSh15.3 billion (\$5.87m) including vehicles, boats, commercial and residential properties;

21 Apr 2024 **Dar es Salaam (Tanzania)** *African Business*. **Tanzania** and **Cote d'Ivoire** sign a memorandum of understanding (MoU) establishing cooperation in sports;

20 Apr 2024 **Dar es Salaam (Tanzania)** *Xinhua*. Tanzania's first fishing harbour in **Lindi**, built by **China Harbor Engineering Company Ltd (CHEC)**, is 42% constructed and is expected to be completed in 2025;

20 Apr 2024 **Dar es Salaam (Tanzania)** *The Citizen*. Tanzania and **Zambia** resolve four of 15 trade issues that have hindered trade between the two countries;

17 Apr 2024 **Dar es Salaam (Tanzania)** *Ministry of Foreign Affairs and East African Cooperation*. President **Samia Suluhu Hassan** leaves for an official visit to **Turkey** from 17 to 21 April, the purpose of which is to strengthen bilateral ties and expand trade and economic relations;

16 Apr 2024 **Dar es Salaam (Tanzania)** *Techpoint Africa*. **Vodacom Tanzania** acquires **Smile Communication Tanzania Limited**, a subsidiary of **Saudi Arabian Smile Group** for TSh 68.8 billion (\$27.4m), to support its plans to launch competitive 4G and 5G network services;

16 Apr 2024 **Dar es Salaam (Tanzania)** *Tanzania Meteorological Agency*. **Tanzania Meteorological Agency (TMA)** issues a five-day weather forecast predicting strong winds, high waves, and heavy rainfall across various regions of the country;

15 Apr 2024 **Dar es Salaam (Tanzania)** *International Railway Journal*. Tanzania secures a \$200m loan from the **World Bank's International Development Association (IDA)** for the second phase of the **Tanzania Intermodal Rail and Development Plan**. The money will finance safety, climate resilience and operational efficiency improvements to the 970km **Dar es Salaam - Isaka** metre-gauge line;

15 Apr 2024 **Dar es Salaam (Tanzania)** *The citizen*. The **Controller and Auditor General's (CAG)** audit report for the 2022/23 financial year notes that 34 public institutions reported losses or deficits for two consecutive years and that the CAG issued 211 out of 215 entities with unqualified opinions, while four were issued with qualified opinions;

15 Apr 2024 **Kigali (Rwanda)** *Reuters*. Drug regulators in **Tanzania, Rwanda** and **Zimbabwe** recall a batch of **Johnson & Johnson** children's cough syrup as a precautionary measure after their **Nigerian** counterpart said laboratory tests found high levels of toxicity;

15 Apr 2024 **Dar es Salaam (Tanzania)** *Daily News*. The **Finnish** ambassador to Tanzania, **Theresa Zitting**, says her government is planning to launch a new four-year TSh 55 billion (\$20m) programme for promoting sustainable forestry;

11 Apr 2024 **Dar es Salaam (Tanzania)** *Open Observatory of Network Interference*. Data collected by the **Open Observatory of Network Interference (OONI)** measuring internet censorship around the world reports that between 1 January 2023 to 31 January 2024 there was "extensive" LGBTIQ internet censorship and blocking of specific websites that defend human rights through grants and petitions including **Change.org, Global Fund for Women, GlobalGiving** and **Open Society Foundations**;

11 Apr 2024 **Dar es Salaam (Tanzania)** *The Citizen*. The **United Kingdom** suspends its global tariff on cut flowers, making exports to the **British** market cheaper and easier for **East African** countries over the next two years. Tanzania exported flowers worth TSh2.5 billion (\$773,694) in 2023 alone;

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